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SIPDIS

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NSC FOR NEA STAFF

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HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA

CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

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SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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[1](#)1. Mideast

[1](#)2. U.S.-Israel Relations

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Key stories in the media:  
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All media reported on the outcome of Defense Minister Ehud Barak's visit to Sharm el-Sheikh on Wednesday. Media reported that Barak and Egyptian President Hosni Mubarak set up a joint team to fight weapons smuggling along the Philadelphi corridor into the Gaza Strip. The Jerusalem Post reported that Egyptian Intelligence Minister Omar Suleiman told the newspaper on Wednesday that Egypt will crack down on smugglers until Israel no longer has anything to complain about. The Jerusalem Post reported that Suleiman and Egyptian Defense Minister Mohamed Hussein Tantawi told Barak about Egypt's recent million-dollar purchase of tunnel-detection systems, first reported by the Post on Tuesday, which they plan to begin using along the corridor in the next few months. Mubarak was quoted as saying in an interview with Yediot that FM Tzipi Livni crossed the line when she criticized the Egyptian forces along the Sinai-Gaza border. Israel Radio quoted the French press agency AFP as saying that Mubarak conveyed to Barak a message from Syrian President Bashar Assad during their meeting. Barak's office refused to comment on the report.

All media reported that PM Olmert and Palestinian President Mahmoud Abbas are scheduled to meet in Jerusalem today for the first time since the Annapolis conference in an effort to move forward negotiations. The Jerusalem Post quoted GOI sources as saying that the Olmert-Abbas channel has been "more fruitful" in the past than meetings between the wider negotiating teams headed by Foreign Minister Tzipi Livni and former PA prime minister Ahmed Qurei. The Jerusalem Post reported that government officials recently expressed frustration that the more conciliatory positions Abbas took during recent meetings with Olmert were not passed on to the Palestinian negotiating team.

Leading media quoted PM Olmert as saying on Wednesday during a meeting with the Meretz party's Knesset faction that he will not resign in the aftermath of the publication of the Winograd report.

The Jerusalem Post quoted Hadash party Chairman MK Muhammad Barakei as saying on Wednesday in an interview with the Palestinian Quds Press agency that Israel's plan to build a new neighborhood near the disused Atarot Airport in northeastern Jerusalem reveals the government's true face as a "government of war and occupation" that is guilty of warmongering against the Palestinians and the Arab world.

Ha'aretz reported that on Wednesday Social Justice, the party of tycoon Arkady Gaidamak, began its formal foray in Israeli politics. The new party will participate in municipal elections throughout the country, seeking the mayor's post in 22 communities and positions on the local council in 55 others. The candidates were mostly drawn from other parties, including Likud, Shas, and Yisrael Beiteinu, but there are also behind the scenes talks with retired and active officers in the IDF and the police. So far, Gaidamak has personally focused on broadening his party's appeal in Jerusalem, where he intends to run for mayor. In the near future, the party is expected to be reinforced with Uri Shani, Ariel Sharon's former bureau chief.

Major media quoted Iranian Defense Minister Mostafa Mohammad Najjar as saying on Wednesday that Russia will supply Iran with state-of-the-art air defense systems. The media said that a military offensive against Iran will consequently become much more complex. Ha'aretz and The Jerusalem Post reported that on Wednesday Ciamak Morsathegh, the head of the Tehran Jewish Committee, described the recent immigration of 40 Iranian Jews to Israel as part of a misinformation campaign. He was quoted as saying that Jews in Iran were not in danger. The media reported that senior government sources have criticized the Jewish Agency over the "media festival" that accompanied the arrival of those Jews, which might endanger the lives of those Jews who stayed behind. The Jewish Agency defended its decision to publicize the event.

Maariv reported on a steep increase -- 36% -- in new investigations in 2006 of soldiers suspected of hurting Palestinians.

Ha'aretz wrote that the Turkish Daily News will report today that crews from Israel Aerospace Industries (IAI), operating unmanned aerial vehicles (UAV's), are participating in Turkish military operations against PKK militants in northern Iraq. Ha'aretz also cited the Turkish newspaper, which observed that a senior Turkish

officer expressed criticism that IAI and Elbit, which is also part of the Heron UAV program, have failed to meet their contractual obligations and have delayed the supply of UAV's ordered for the Turkish Air Force in 2005.

Ha'aretz quoted an official as saying on Wednesday that the Interior Ministry will form a tribunal presided over by a judge to hear petitions by applicants who have been denied permanent residency status.

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I1. Mideast:  
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Summary:  
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Military correspondent Amos Harel wrote from Sharm el-Sheikh on page one of the independent, left-leaning Ha'aretz: "Foreign Minister Tzipi Livni demonstrated a shocking lack of caution.... Barak found himself in a rare position: The Defense Minister suddenly became the 'good Israeli' in Arab eyes."

Military correspondent Yaakov Katz wrote in the conservative, independent Jerusalem Post: "With very few friends in the neighborhood, Egypt stands out. On the other side, Egypt views its relations with Israel as a strategic asset."

Columnist Ari Shavit wrote in Ha'aretz: "Yes, Olmert must resign. But his resignation is not an end in itself. His resignation must signal and bring about an overall change in concepts and values."

Block Quotes:  
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II. "Becoming the 'Good Israeli'"

Military correspondent Amos Harel wrote from Sharm el-Sheikh on page one of the independent, left-leaning Ha'aretz (12/27): "Foreign Minister Tzipi Livni demonstrated a shocking lack of caution on Tuesday when she dared to speak the truth about Egypt's job performance in preventing weapons smuggling from Sinai into Gaza.... The Egyptians were insulted to the depths of their souls -- and Barak found himself in a rare position: The Defense Minister suddenly became the 'good Israeli' in Arab eyes. The fact that Barak privately agrees with Livni changes nothing. Egypt's President Hosni Mubarak, his intelligence chief Omar Suleiman and Defense Minister Hussein Tantawi took pains to treat Barak warmly, with the requisite public embraces.... Apart from the insult, something else is worrying the Egyptians: The fear that Israel is behind the initiative to freeze \$100 million in U.S. aid to Egypt, out of a total of \$2 billion, as punishment for the smuggling. Barak explained that it is not the Israeli government that is involved, only a few right-wing Knesset members who raised the idea in Congress. But Barak, his deputy, Knesset Member Matan Vilnai, and Amos Gilad, head of the Defense Ministry's political-security department, all said the atmosphere at the talks was good and constructive. Was any real progress made? Apparently not. In any event, both sides chose not to go into detail."

II. "Israel, Egypt Need Each Other"

Military correspondent Yaakov Katz wrote in the conservative, independent Jerusalem Post (12/27): "Despite [the current] tension ... Israel and Egypt are not ready give up the strategic alliance they have managed to forge since they signed a peace agreement almost 30 years ago. Both countries are also aware that they need one another. Israel sees its peace with Egypt as a model for other Arab and Muslim countries in the region with whom it would like to normalize relations in the future. Israel also needs Egypt to mediate its informal talks with Hamas, both over the possibility of a hudna (cease-fire) with the terror group in the Gaza Strip, but also about a possible prisoner exchange under which Shalit would be released. With very few friends in the neighborhood, Egypt stands out. On the other side, Egypt views its relations with Israel as a strategic asset. Cairo recognizes the fact that Israel and the Jewish lobby have a great deal of influence in Washington and would not like to see that influence turned against them, as it almost did

with the videotapes [that showed the apathy of Egyptian forces to arms smuggling]."

### III. "One Last Chance"

Columnist Ari Shavit wrote in Ha'aretz (12/27): "If even after the Winograd report Ehud Olmert continues to serve in his position, the concept of responsibility will be of no significance in our lives. However, there was another broad and profound meaning to the war. It exposed that there is no congruence between 21st-century Israel and the challenges it faces. The war exposed that the national leadership is not worthy:... Another fact exposed in the war is that the Israel Defense Forces is not the outstanding army that it has to be.... Yes, Olmert must resign. But his resignation is not an end in itself. His resignation must signal and bring about an overall change in concepts and values. In about two weeks from now the Winograd Commission report will be published.... In a sense, it will be the day of the last chance. It will give all of us a belated and final opportunity to internalize what we discovered during the Second Lebanon War, and to heal Israel."

## 12. U.S.-Israel Relations:

### Summary:

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz: "Obama did try once or twice to reassure those who are concerned over his cool policy toward Israel, and he may succeed in doing so."

### Block Quotes:

#### "Obama Backs Israel as Jewish State"

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz (12/27): "Israelis who are following the [U.S. presidential] elections and Obama have had difficulty understanding his approach. He is certainly not naive, as some thought at the outset. He is an idealist, but more sober than could be gleaned from his first public appearances, which swept away his audiences.... Among the three leading [Democratic] candidates he has the least support in the Jewish community, with the highest percentage of those who say they disapprove of him. Obama did try once or twice to reassure those who are concerned over his cool policy toward Israel, and he may succeed in doing so. He spoke to the American Israel Public Affairs Committee and he promoted a law allowing funds to be pulled out of companies doing business with Iran. Last week in a foreign policy forum in Des Moines, Iowa, whose main points were publicized on the blog of the Institute for Public Affairs of the Orthodox Union, he spoke again about Israel. His key statement was: 'The Palestinians would have to reinterpret the notion of right of return in a way that would preserve Israel as a Jewish state. It might involve compensation and other concessions

from the Israelis but ultimately Israel is not going to give up its state.'"

JONES